

BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION

Order Instituting Rulemaking )  
on the Establishment of a Public )  
Purpose Program Surcharge )  
Pursuant to AB 1002 )  
\_\_\_\_\_ )

Rulemaking R. 02-10-001

**JOINT REPLY COMMENTS OF THE CALIFORNIA ENERGY COMMISSION  
and THE UNIVERSITY OF CALIFORNIA REGARDING  
THE PROPOSED DECISION ON NATURAL GAS RESEARCH PROGRAMS**

Submitted by:

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**(For The California Energy Commission)**

June 22, 2004

**THE CEC/UC JOINT REPLY COMMENTS ON THE PROPOSED DECISION  
CONCERNING NATURAL GAS RESEARCH**

In accordance with the provisions of Title 20, California Code of Regulations, Article 19 (Sections 77 *et seq.*), the California Energy Commission (CEC or Energy Commission) and the University of California (UC) respectfully submit these Joint Reply Comments regarding Commissioner Lynch's Proposed Decision on establishing a Public Interest Natural Gas Research (PINGR) Program. (*See* R. 02-10-001, Proposed Decision mailed on 5/28/2004).

The CEC and UC have reviewed the Opening Comments filed (on June 17, 2004) by Pacific Gas & Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Gas Company (SoCal Gas), the Southern California Generation Coalition (SCGC), and the Board of Equalization. Insofar as these Opening Comments discuss issues addressed in Phase I of this California Public Utilities Commission (CPUC) proceeding, the CEC and UC offer no Reply to the matters addressed therein.

However, PG&E, SDG&E and SoCal Gas also address certain Phase II issues in their Opening Comments, and the CEC/UC offer this Joint Reply concerning those issues. Initially, we note that the utilities have reargued their previously stated positions for why they should serve as the administrator and/or play a major role in the administration of the PINGR Program. (*See* SoCal Gas/SDG&E's Opening Comments at pp. 6-11, and PG&E's Opening Comments at pp. 1-3). The utilities also reargue their previously stated positions concerning the appropriate annual funding level for the PINGR Program. (*See* SoCalGas/SDG&E's Opening Comments at p. 11, and PG&E's Opening Comments at pp. 4-5).

The CPUC's regulations clearly state the following:

“Comments shall focus on factual, legal or technical errors in the proposed decision . . . [and] **comments which merely reargue positions taken in briefs will be accorded no weight . . .**” (Title 20, California Code of Regulations, Section 77.3, emphasis added)

For this reason, the utilities' Opening Comments concerning the Phase II issues of administration and funding for the PINGR Program should be completely disregarded. The CEC and UC have both addressed these issues extensively in our Opening and Reply Briefs (dated October 22 and November 5, 2003), and we will not reargue our positions at this time.

In its Opening Comments, PG&E also seeks to further clarify the meaning of "public interest" R&D by adding specific definitions for "competitive" and "regulated" R&D taken from the CPUC's RD&D Working Group Report. (See PG&E Opening Comments at pp. 3-4). The CEC/UC support this clarification request, which is consistent with the evidentiary record, and we urge the CPUC to include this clarification in its final decision.

Respectfully submitted,

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June 22, 2004

## **CERTIFICATION OF SERVICE**

I, **CAROLYN SPEARS**, certify that on **June 21, 2004**, I served copies of the “**JOINT REPLY COMMENTS OF THE CALIFORNIA ENERGY COMMISSION AND THE UNIVERSITY OF CALIFORNIA REGARDING THE PROPOSED DECISION ON NATURAL GAS RESEARCH PROGRAMS**” by overnight mail to the Docket Office of the California Public Utilities Commission (CPUC), Commissioner Loretta Lynch, All CPUC Commissioners and ALJ Bruce DeBerry in proceeding **R.02-10-001**. I also served copies of this same document by e-mail or first class mail with postage prepaid (where e-mail was not provided) to all parties identified on the service list provided by the CPUC in proceeding **R.02-10-001**.

Dated: **June 21, 2004**, at Sacramento, California.

DECLARANT  
(Service Lists attached to original only)